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SUBJECT: TURKEY: ENERGY MINISTER ON INVESTMENT IN IRAN

REF: ANKARA 1580

¶1. (U) On October 8, Reuters carried an interview with Turkish Energy Minister Hilmi Guler on investment in Iran. The version in Turkish provided more detail than the wire service version. Below is a translation by Embassy staff of Guler's comments from the original story.

¶2. (U) Guler said, "Suspending the gas agreement with Iran is out of the question. Once there is a compromise about the buy back model and when everything is more clear, there will be a signing. There needs to be a text to sign for me to go to Tehran. It is important to have results in these talks. Regarding (development of Iranian) natural gas blocks, there are differences in Iranian legislation and our expectations. We are two neighbors living in this region. We have on-going energy projects which are based on a joint history. These factors are part of the negotiation."

¶3. (U) In response to a question about why he has not yet traveled to Iran, Guler said "I did not go there back in August because there was no text to sign. In the meantime, I went to other countries, like Turkmenistan and had new discussions in these places." The article also quoted a senior Ministry of Energy official as saying "if there is no change in the buy back model which would be acceptable to global investors, we won't be signing an agreement. Turkey's aim is to sell gas directly (to the customer) and to have Iran as a partner in the investment."

¶4. (SBU) Comment: Guler's October 7 comments were likely timed to get a favorable outcome from a meeting with Iranian Deputy Oil Minister the following day. We continue to hear from Ministry of Energy officials and others that getting a deal with Iran, if possible at all, will take many, many years.